

# **CORRECTED FISCAL NOTE**

## **SB 724 - HB 1188**

February 27, 2007

**SUMMARY OF BILL:** Authorizes payment up to \$750 from the Criminal Injuries Compensation Fund (CICF) for the cost of forensic sexual assault examinations not paid by insurance. Eliminates sexual assault program services and transfers funding to forensic sexual assault examinations to Sexual Assault Forensic Examination Fund (SAFE) for persons who are not eligible for CICF reimbursement. Requires Department of Finance and Administration to award a grant in an unspecified amount to the Tennessee Coalition Against Domestic and Sexual Violence.

### **ESTIMATED FISCAL IMPACT:**

On February 26, 2007, we issued a fiscal note which indicated *an increase in state expenditures - \$357,000/Criminal Injuries Compensation Fund/\$170,100/Sexual Assault Forensic Examination Fund FY07-08; \$60,000/Sexual Assault Forensic Examination Fund FY 08-09 and future years. Other Fiscal Impact - Transfers one-time accrued fines of \$210,000 and recurring annual fine revenue of \$60,000 from sexual assault program services (currently unfunded) to new Sexual Assault Forensic Examination Fund.* Based on the additional information provided to us, the estimated fiscal impact of this bill is:

### **(CORRECTED)**

#### **Increase State Expenditures -**

**\$357,000 / Criminal Injuries Compensation Fund**

**\$170,100 / Sexual Assault Forensic Examination Fund FY07-08**

**\$60,000 / Sexual Assault Forensic Examination Fund FY08-09  
and future years**

**Other Fiscal Impact - Transfers one-time accrued fines of \$210,000 and recurring annual fine revenue of \$60,000 from sexual assault program services (currently unfunded) to new Sexual Assault Forensic Examination Fund.**

**The bill does not require the State to eliminate out-of-pocket costs to the victim for all forensic medical examinations since Sexual Assault Forensic Examination Fund funding will not cover all of the exams for victims who do not qualify under the Criminal Injuries Compensation Fund. Failure of the State to remove all out-of-pocket costs from the victim by January 1, 2009, jeopardizes an existing federal grant from the U.S. Department of Justice in the amount of \$2,500,000 annually.**

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#### Assumptions:

- There are no reliable data on who currently pays for these examinations. Costs are paid by rape crisis centers, child advocacy centers, local law enforcement, absorbed by hospitals, or borne by victims. A portion of these costs will shift to the Criminal Injuries Compensation Fund.
- The CICF requires as a condition of eligibility, among other things, that the victim cooperate with law enforcement and prosecutors. Due to some non-reporting and the cooperation limitation, approximately 55 percent of sexual assault victims would qualify for payments from the CICF. Of this number, a portion will have their costs paid through insurance or other sources. According to the State Treasurer's Office, costs to the CICF will increase \$357,000.
- Approximately \$180,000 in fines have been collected during the past three years that are currently allocated to sexual assault program services. This amount will increase by \$30,000 by the end of FY07.
- These services have not been funded and the revenues have not been spent. These accrued funds will be redirected to the SAFE Fund to pay for examinations. In addition, approximately \$60,000 in new fines are collected each year that will be spent on SAFE Fund examinations. Any examination cost that is paid by insurance will not be paid by the SAFE Fund. These accrued and recurring funds will be sufficient to pay the cost of all examinations not funded by the CICF during FY07-08. Beginning in FY08-09, recurring funds will not be sufficient to pay the cost of all examinations not funded by CICF.
- Approximately 126 victims of sexual assault will not qualify for CICF payment and will not have health insurance. For these victims, the SAFE Fund will pay 100 percent of their cost @ \$750 per exam for a total of \$94,500. The remaining 504 victims with insurance will have a 20 percent co-pay, or \$150 each. The cost to the SAFE Fund to reimburse these co-payments is \$ 75,600. The total annual recurring cost to the fund will be \$170,100. \$270,000 will be available in the SAFE Fund to pay examination costs. The SAFE Fund will have \$99,900 in funds to carryforward to FY07-08, plus collections from fines of \$60,000, for total available funds of \$159,900 in FY07-08. The SAFE Fund will be \$10,200 short of funds to pay all examination costs in FY08, and will not generate sufficient recurring revenue to pay all examination costs in succeeding years. The deficit will be \$110,100 in each succeeding year.
- The federal Stop Violence Against Women Act requires each state to ensure that the victim does not incur any out-of-pocket cost of examinations by January 1, 2009. This bill does not require Tennessee to come into full compliance. The General Assembly will not appropriate additional funds to the SAFE Fund beyond the transferred fines. Full funding would cost an additional \$10,200 in recurring state

expenditures in FY08-09 and \$110,100 recurring expenditures in each succeeding year.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director